

The Attorney General

July 29, 1955

Director, FBI

CONGRESSMAN LESLIE ARENDS, Illinois
MISCELLANEOUS - INFORMATION CONCERNING

A confidential source whose reliability is unknown has informed our Springfield, Illinois, Office that he has received information, also from a confidential source who has previously furnished reliable information to him, that Congressman Leslie Arends of Melvin, Illinois, [redacted]

b7D

According to the Bureau's source, [redacted]

The Bureau's informant in this matter has refused to disclose the identity of his source for this information.

RECORDED-31

In view of the above, the Department's advice is requested as to whether investigation is desired in this matter.

EX-121

SE 46

cc: 2 - Mr. William P. Rogers
Deputy Attorney General

2 - Assistant Attorney General
Warren Olney III

58-New

Note cover memo C.A. Evans to Mr. Rosen 7/29/55, WAH:md.

WAH:md
(13)

59 AUG 4 1955

58-3643-1

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen

DATE: July 29, 1955

FROM : C.A. EVANS

SUBJECT: CONGRESSMAN LESLIE ARENDS
(R.-Ill.)
PRISONERY

Tolson	
Boardman	
Nichols	
Belmont	
Harbo	
Mohr	
Parsons	
Rosen	
Tamm	
Nease	
Winterrowd	
Tele. Room	
Holloman	
Gandy	

[redacted] confidentially advised our

Springfield Office that [redacted]

b7D

[redacted] refused to disclose the identity of his source for this information but described this source as one who has previously furnished reliable information to him.

Bureau files reflect there is a friendly relationship between Congressman Arends and the Bureau. Mr. Nichols has had numerous contacts with him. (94-36868)

RECOMMENDATIONS: (2)

1. Inasmuch as [redacted] refused to disclose the identity of his source for this allegation and inasmuch as the allegation is indefinite, it is recommended this matter be referred to the Attorney General with copies for Deputy Attorney General Rogers and Assistant Attorney General Olney for advice if investigation is desired in this matter. Attached for your approval is the appropriate memorandum.

Enclosure
cc: Mr. Nichols
WAE:md
(7)

RECORDED - 81

INDEXED - 81

EX-121

AUG 13 1955

50 AUG 8 1955

38-3643-

2

Memorandum to Mr. Rosen

2. If the Department requests investigation in this matter, it is recommended that Mr. Nichols contact Congressman Arends and inform him of these allegations.

W.H.
9/24/54
W.H.

J.P. [unclear]

V. [unclear]

Y.P.



Assistant Attorney General
Warren Olney III

August 4, 1955

Director, FBI

CONGRESSMAN LESLIE ARENDS, Illinois
MISCELLANEOUS - INFORMATION CONCERNING

58-3643-3

RECORDED - 4

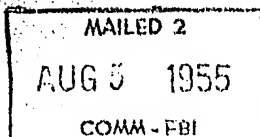
Reference is made to the Bureau's memorandum dated July 29, 1955, directed to the Attorney General with copies for Mr. William P. Rogers, Deputy Attorney General, and copies designated for you.

Messrs. David B. Irons and David L. Luce of your staff called on a representative of this Bureau on August 3, 1955, requesting advice if the Bureau could furnish any information in connection with this matter and any additional information which might assist in evaluating the source.

This is to advise that all information available to the Bureau regarding this allegation was furnished to the Department in our memorandum of reference.

WAH:md;mhb
(9)

Note cover memo Mr. Winterrowd to Mr. Rogers 8/4/55 WAH:md.



Tolson _____
Boardman _____
Belmont _____
Clegg _____
Glavin _____
Ladd _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Winterrowd _____
Tele. Room _____
Holloman _____
Gandy _____

71 AUG 16 1955

58-3643-

3

UNRECORDED COPY

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen

DATE: August 4, 1955

FROM : Mr. Winterrowd

SUBJECT: CONGRESSMAN LESLIE ARENDS (R.-Ill.)
MISCELLANEOUS - INFORMATION CONCERNING
(Accounting and Fraud Section)

Tolson	_____
Boardman	_____
Nichols	_____
Belmont	_____
Mohr	_____
Parsons	_____
Rosen	_____
Tamm	_____
Sizoo	_____
Winterrowd	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

This is to inform that David B. Irons and David L. Luce of Assistant Attorney General Olney's staff called on the writer 8/3/55 relating to our referral to the Department on 7/29/55 of an allegation that Congressman Leslie Arends of Illinois had been the recipient of a payment of \$5,000.

Messrs. Irons and Luce advised based on the general and indefinite allegation regarding Arends, they were reluctant to request an investigation of this allegation. They requested advice if the Bureau could furnish any additional information regarding the informant in this matter for evaluation purposes. They both stated they did not desire to be informed of the name of the Bureau's informant. (The Bureau described its source as of unknown reliability).

This matter relates to information furnished confidentially to our Springfield Office [redacted]

b7D

The only information contained in the Bureau files concerning [redacted] in the past that were complimentary to the Bureau (94-41369). There is nothing in the Bureau files relating to [redacted]

RECOMMENDATION:

That Olney be informed the only information we have relating to this matter was furnished to the Attorney General with copies designated for the Deputy Attorney General and Olney as contained in our memorandum dated July 29, 1955. Attached for approval is the appropriate memorandum to Olney.

Enclosure
cc: Mr. Nichols
and/mic

2 AUG 9 1955

SEPTEMBER 2, 1955

PERSONAL ATTENTION
AIRTEL

SACS, SPRINGFIELD
WASHINGTON FIELD (BCS)

CONGRESSMAN LESLIE ARENDT, ILLINOIS
MISCELLANEOUS - INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION)

Re Springfield airtel dated [REDACTED]

b7D

Enclosures for Springfield and Washington Field are two copies of a memorandum to Deputy Attorney General William F. Rogers requesting a preliminary inquiry to determine certain facts prior to determining whether a full investigation should be conducted.

Both offices should contact PHA and conduct the requested preliminary inquiry and report the complete results of 9/9/55. Afford this matter preferred and continuous attention. Inquiry should be limited to examination of the files and the basis for our inquiry, of course, should not become known outside the Bureau.

The reports should not be disseminated locally to the United States Attorney per request of the Criminal Division. Springfield OO.

Hoover

Enclosures - 2

RCK:mjp
(6)

RECORDED - 2

INDEXED - 2

EX-107

SEP 7 1955

Tolson _____
Boardman _____
Nichols _____
Belmont _____
Harbo _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
 Sizoo _____
Winterrowd _____
Tele. Room _____
Holloman _____

SEP 9 1955

58-3643-

4

Mr. Tolson
Mr. Boardman
Mr. Nichols
Mr. Belmont
Mr. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Rosen
Mr. Tracy
Mr. Harbo
Mr. Mohr
Mr. Winterrowd
Tele. Room
Mr. Holloman
Miss Gandy

AIRTEL

FBI WASH FIELD

DIRECTOR AND SAC SPRINGFIELD

9/9/55

DEFERRED

CONGRESSMAN LESLIE ARENDS, ILLINOIS
MISCELLANEOUS INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION)

ReBuairtel 9/2/55.

[redacted] advised SA [redacted] WFO, on 9/9/55 that he could find no record of a Pleasant Acres Housing Development adjacent to Chanute Air Force Base, Ill). He advised that the only Pleasant Acres Housing Development on record was in Granite City, Ill (metropolitan area of St. Louis which is not adjacent to Chanute Air Force Base, and is located at Rantoul, Christian County, Ill). The only information in this Pleasant Acres file (Project #072-00007) refers to the prevailing wage rate and the latest correspondence is dated 1951. This project involved 33 frame houses. The only housing development record found adjacent to Chanute Air Force Base was Pleasant Acres Apartments Corp, Chanute AFB, Rantoul (Project #1's 072-80006 and 072-80007, one involving 602 units and the other involving 198 units. [redacted] suggested contact with Mr. NEUFORD R. HARPER, Acting Director, FHA, Adams Bldg, 621-610 N. Adams St, Springfield, Ill, for info leading to identity of the Pleasant Acres Housing Development in question. Chanute Apartment Corp is a subsidiary of the Jonathan Woodner Co owned by [redacted] already under investigation relative to FHA matters. Correspondence in file indicates books and records of [redacted] and certain corporations and companies in which he is and has been interested were in custody of Grand Jury as of 2/18/55 according to letter of [redacted] SAAG, Dept of Justice. No further action contemplated by WFO since no record identifiable with Pleasant Acres Housing Development in question can be found at HHFA, RUC.

b6
b7c

GEN:hjt
(6)
62-7666

LAUGHLIN

AIRTEL

RECORDED - 77

15-3643

SEP 20 1955

EX-113

62-3643-

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE:

FROM : William P. Rogers, Deputy Attorney General

SUBJECT: Congressman Leslie Arends, Illinois,
Miscellaneous - Information Concerning

Mr. Tolson	
Mr. Boardman	
Mr. Belmont	
Mr. Harbo	
Mr. Mohr	
Mr. Nease	
Mr. Rosen	
Mr. Tamm	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

This is in reference to your memoranda dated July 29, 1955, and August 4, 1955, reporting an allegation from a confidential source of unknown reliability to the effect that [REDACTED]

b7D

Since the information is non-specific it would be necessary to have further facts to determine whether a full investigation should be requested. It is, therefore, requested that a preliminary inquiry be conducted to determine whether further investigation is warranted under 18 USC Sections 201, 202, 216, 281 or 283. It is further requested that this inquiry be limited to a review [REDACTED]

Upon receipt of this additional information, I will advise you as promptly as possible whether further investigation is warranted and requested in this matter.

Since it is not clear where venue would be, I suggest that for the present investigative reports be forwarded only to the Criminal Division.

57 SEP 20 1955

RECORDED - 15

INDEXED - 15

10 SEP 19 1955

58-36423

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen

DATE: September 6, 1955

FROM : C. A. Evans

SUBJECT: CONGRESSMAN LESLIE ARENDS (R. - ILL.)
MISCELLANEOUS - INFORMATION CONCERNING
(Accounting and Fraud Section)

Tolson
Boardman
Belmont
Harbo
Mohr
Parsons
Rosen
Tamm
Trotter
Tele. Room
Holloman
Gandy

b7D

By memorandum dated 9/1/55, Mr. William P. Rogers, Deputy Attorney General, requested the files of the [redacted]

[redacted] Rogers requested the additional information prior to determining whether a full investigation of allegation was warranted. Requested investigation being expedited.

[redacted] confidentially advised our Springfield Office 7/25/55 of allegation that [redacted]

Since [redacted] refused to identify his source and inasmuch as the allegation was indefinite, the Department's advice was sought by memorandum of 7/29/55 as to whether investigation of this matter was desired. On 9/2/55, the Washington Field and Springfield Offices were instructed to afford the examination of FHA files in this matter expeditious attention, and to handle the matter discreetly.

Bureau files reflect the Bureau has had a friendly relationship with Congressman Arends and Mr. Nichols has had numerous contacts with him. (94-36868)

RECOMMENDATION:

It is recommended that Congressman Arends not be informed of this inquiry until such time as the Criminal Division requests a full investigation of the allegation.

RECORDED

57 SEP 20 1955

58-3643-

Mr. William F. Rogers
Deputy Attorney General

September 15, 1955

Director, FBI

CONGRESSMAN LESLIE ARENDS, ILLINOIS
MISCELLANEOUS - INFORMATION CONCERNING

Reference is made to your memorandum dated September 1, 1955, which requested a preliminary inquiry in this matter limited to a review of the official file of the Federal Housing Administration concerning the Five Acres Housing Development.

In line with your request a copy of the report of Special Agent [redacted] dated September 8, 1955, at Springfield, Illinois, is being furnished to Assistant Attorney General Warren Olney III, together with two copies of this communication.

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b7C

No further action in this matter is contemplated in the absence of an additional request from the Department.

cc: 2 Assistant Attorney General
Warren Olney III (with enclosure)

WJH:DC
(6)

NOTE:

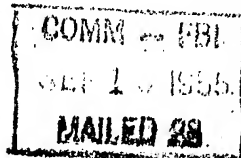
[redacted]
furnished indefinite allegations [redacted]

b7D

Tolson
Boardman
Nichols
Belmont
Mohr
DeLoach
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

WJH

RECORDED - 36



EX-107

10 SEP 19 1955

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **SPRINGFIELD**

REPORT MADE AT SPRINGFIELD	DATE WHEN MADE 9/8/55	PERIOD FOR WHICH MADE 9/6,7/55	REPORT MADE BY SA [REDACTED] :nk (A)
TITLE CONGRESSMAN LESLIE ARENDS, ILLINOIS			CHARACTER OF CASE MISCELLANEOUS INFORMATION CONCERNING [REDACTED]

SYNOPSIS OF FACTS:

Investigation requested by Department of Justice. **FHA files reviewed. no correspondence to or from** [REDACTED]

[REDACTED] **CECIL OZIER of Bel Air Buildings, Inc., and HUGO SCHNEIDER of C & S Engineering, Inc., are developers and sponsors. Background on CECIL OZIER, HUGO SCHNEIDER and Major General B. E. GATES set out. Corps of Engineers Office, Chicago, conducted investigation into activities of HUGO SCHNEIDER in November, 1954.**

DETAILS:

By letter dated September 1, 1955, Mr. **WILLIAM F. ROGERS, Deputy Attorney General, requested that investigation be made regarding the allegation that** [REDACTED]

APPROVED AND FORWARDED:

SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

COPIES OF THIS REPORT

5 - Bureau

1 - Springfield (147-62)

29 SEP 12 1955

RECORDED - 39

The files regarding Pleasant Acres housing development were furnished by Mr. BUEFORD R. HARPER, Assistant Director, Federal Housing Administration, Springfield, Illinois, and J. G. MC FALL, Chief Underwriter, Federal Housing Administration, Springfield, Illinois, on September 6, 1955. These files, including the correspondence file, were reviewed on September 6, 1955, and no correspondence from or to Congressman LESLIE ARENDS, Illinois, was located in the file.

The first item placed in these files was an Office Memorandum from Mr. J. G. MC FALL, Chief Underwriter, to Mr. E. J. FLICKINGER, Chief Loan Payment Consultant, FHA, Chicago, Illinois, regarding proposed Title I - Section 8 Development at Rantoul, Illinois. This memo stated as follows:

"Attached is partial file relating to advanced subdivision. Please review suggested revised plans and send marked copy to me with your recommendations. I will phone you Wednesday, 6/9/54, relative to this proposal. Signed J. G. McFall, CU".

Mr. J. G. MC FALL advised on September 6, 1955, that the reference to partial file in his memorandum of June 8, 1954, does not mean there was additional correspondence in the file. He stated an FHA housing development file is not complete until the subdivision report has been executed and as of June 8, 1954, the subdivision report had not been completed, therefore, this FHA file was a partial file at that time.

The files indicated that on June 8, 1954, Mr. CECIL OZIER brought a platt of the proposed subdivision to the FHA office, Springfield, Illinois, and this platt was forwarded to Mr. E. J. FLICKINGER, Chief L.P. Consultant, for review and Mr. FLICKINGER submitted a revised platt on June 10, 1954, calling for additional improvements in drainage, sewers and streets. This file also reflected that on June 23, 1954, Mr. J. G. MC FALL sent a memorandum to Mr. H. H. SONNEMAKER, Acting Chief Valuator, and V. O. BRUBECK, Assignment Valuator, regarding proposed subdivision, South East Prairie View Park, Rantoul, Illinois. This memo stated as follows:

SI 147-62

"Mr. H. H. NOONER, Director, has determined that we will accept firm applications for twenty-five properties within this captioned subdivision provided that proper sponsorship and a competent builder is evidenced. Please inform me when and if any applications for the area, probably to be National Homes, Cadet, four bedroom plans, are presented."

A handwritten note appeared on the lower portion of the above memorandum of June 23, 1954, as follows:

7/16/54

Director NOONER approved processing of all 109 applications for conditional firm commitments to be converted as rapidly as possible. National Homes Acceptance Corporation notified to request reconsideration of rejects.

JGM".

The rejection file of FHA, Springfield, Illinois, reflects that on July 8, 1954, FHA, Springfield, Illinois, submitted a letter to National Homes Acceptance Corporation, Lafayette, Indiana, regarding the submission of application for 109 loan commitments in Pleasant Acres subdivision. FHA, Springfield, advised National Homes Acceptance Corporation that twenty-five commitments were accepted as per agreement. This letter also stated in pre-approval conference it was agreed that only firm applications presenting acceptable occupants would be submitted by the sponsors in groups of not more than twenty-five properties at any one time. The files of FHA, Springfield, Illinois, contained nothing which would indicate or clarify the change from commitments on twenty-five firm applications to commitments on 109 firm applications.

Mr. J. G. MC FALL advised there are no other files regarding the Pleasant Acres development as all negotiations prior to June 8, 1954, were oral and were not made a matter of record.

The file reflects that the developer of Pleasant Acres subdivision was C & S Engineering, Inc., Springfield, Illinois, HUGO SCHNEIDER, President. The file contained a Certificate of Ownership which was filed in the County Court-house, Champaign County, Champaign, Illinois, on July 30, 1954. This Certificate of Ownership was filed for record in the office of the County Recorder, JOHN L. MC EWEE, as Document #531660, on September 29, 1954, in Volume K, Page 129, of platt records. This Certificate of Ownership reflected that C & S Engineering Company were the owners of the subdivision property consisting of twenty-three acres, more or less.

This FHA file also reflected that Bel Air Builders, Inc., 315 South Van Doren, Champaign, Illinois, was the sponsor of the development through its President, C. B. OZIER. This FHA file contained no information regarding background or activities of the developers, sponsors and other principals of Pleasant Acres housing development.

The following investigation was conducted by SA CHARLES R. GAMBS, JR., at Champaign, Illinois:

Files of the Champaign County Credit Bureau, made available on September 7, 1955, by Mrs. MILDRED MATTHEWS, contained the following information concerning the persons named below:

CECIL OZIER

Residence - 610 West John Street, Champaign, Illinois

Age: 53 (approximate)

Previous employment and business enterprises:

1. Illinois Central Railroad, Champaign, Illinois, Yard Clerk
2. General construction (part time), 1930 to 1946
3. Ozier-Meller Construction Company, 1947 to 1954 (partnership)
4. General construction, 1954 to present.

The Champaign-Urbana Courier newspaper edition of June 28, 1954, printed a story reflecting that OZIER and WELLER announced a re-alignment of enterprises and plans for separate operations in the future. OZIER will give concentrated attention to new home building program near Chanute Air Force Base, Rantoul, Illinois. OZIER announced he would erect houses for a 250 lot subdivision being developed by the C & S Engineering Company of Springfield. OZIER announced that the program was to unfold in a series of FHA approved projects, the first project of twenty-five houses which is ready to start. He further stated that extension of new low cost housing to enlisted personnel is a "guinea pig" operation expected to become a pattern for adoption throughout the Air Force. This article further stated that the Ozier-Weller enterprises grew from a single original company in 1946 to enterprises involving several companies at the time of the re-alignment.

The Champaign News Gazette edition of March 22, 1955, printed an article stating that CECIL OZIER and D. C. FIELDS, formerly of Champaign, purchased a controlling interest in three corporations building 1,010 houses in San Juan, Puerto Rico. This article stated that D. C. FIELDS was a former Chief Underwriter for FHA in Springfield, Illinois, and was formerly Chief Underwriter for the FHA in Puerto Rico. The article further identified the three corporations purchased by OZIER and FIELDS as:

1. Flexicore Company of Puerto Rico
2. Pre-Cast Tilt Up Construction Company
3. Commonwealth Land Development Company

The article stated that FHA mortgages had been already approved for these 1,010 houses.

Estimated Net Worth - \$400,000.00
Credit Rating - Satisfactory

HUGO R. SCHNEIDER

Age - 43 (Approximate)
Marital Status - Married, wife PATRICIA
Previous employment:

SI 147-62

1. Self-employed, Consulting Engineer,
322½ East Adams, Springfield, Illinois,
1947
2. Reportedly had interest in C & S Con-
sulting Engineers in Chicago, Illinois,
in 1949
3. Resident Engineer, Chanute Air Force Base,
March, 1955

Previous Residence Addresses:

501 South Lincoln, Springfield,
May, 1947 to 1951;
45 Chenot Place, Belleville, Illinois,
no date listed;
1145 Briar Cliff at 4th, Rantoul, Illinois,
March, 1955.

Financial Status:

Credit report dated April, 1955, reflects
that SCHNEIDER claimed the following assets:

Household goods	- \$3,000.00
Car #1	- \$1,500.00
Car #2	- \$3,300.00
Accounts Receivable	- \$20,000.00

Credit Rating:

Records of the Credit Bureau reflect the
following bills as unpaid by SCHNEIDER as
of April, 1955:

Clothing bill,	\$61.00	- since November, 1950
Utility bill,	\$36.00	- since November, 1952.

C & S DEVELOPMENT CORPORATION

Files of the Credit Bureau reflect that HUGO
SCHNEIDER of Rantoul, Illinois, is Manager of the C & S
Engineering Company.

News clipping dated May 19, 1955, from Champaign News Gazette reflects that the C & S Engineering Company plans to purchase 110 acres of the HERSCHEL KEAL farm on the east edge of Rantoul, Illinois, for residential and business developments.

BYRON E. GATES

Major General, U. S. Air Force

Birth Data - Born May 6, 1895, Aberdeen, South Dakota

Education - University of Montana, 1915

Marital Status - Married, wife CHARLOTTE

Military Service - Served as Corporal in U. S. Army in World War I, flying Cadet in 1917 and received commission in 1918; Served as Commanding General, Chanute Air Force Base, 1949 to May 31, 1955, at which time he was retired; Re-called to active duty August 1, 1955.

Residence - 516 Eden Park, Rantoul, Illinois

Financial Status - Obtained mortgage in the amount of \$20,000.00 on property at Road #19, Eden Park, Rantoul, Illinois, August, 1955.

Credit Rating - Satisfactory.

The Champaign-Urbana Courier edition of July 24, 1955, states that the Air Force on Saturday, July 23, 1955, announced the following allegations against Major General BYRON E. GATES, retired:

1. That he afforded preferential treatment to and sponsored an automobile insurance company and a life insurance company.
2. That he made false statements to investigating agents and his superior officer.
3. The use of his rank and position to influence the sale of corporate stocks and insurance to military personnel within the limits of Chanute Air Force Base.
4. The misuse of Government premises in the development and administration of the housing project adjacent to Chanute Air Force Base.

SI 147-62

The following investigation was conducted by reporting agent:

The Champaign-Urbana Courier newspaper edition of July 25, 1955, printed a story reflecting that Representative P. EDWARD HERBERT, Chairman of a subcommittee investigating insurance sales to servicemen, called for disciplinary action. This story is in regard to the activities of Major General BYRON E. GATES, former Commander, Chanute Air Force Base, in handling of automobile insurance sales to servicemen on Chanute Air Force Base. This story states that the Illinois Automobile Insurance Company figured in the allegation against General GATES and reflects that CECIL R. OZIER is one of the directors of Illinois Automobile Insurance Company.

The Champaign-Urbana Courier edition of July 24, 1955, stated in an article that Major General JOHN H. MC CORMICK's investigation of irregularities of Major General BYRON E. GATES was to begin soon. This article stated that one of the specifications leveled against General GATES by the Air Force was "that he had Civil Service and military personnel to do work with a housing project near the base while being paid by the Government". The article continued that it was believed the housing project referred to in the specification is Pleasant Acres, developed in 1954, on acreage immediately south of Chanute Air Force Base in southeast Rantoul.

The Champaign-Urbana Courier edition of July 24, 1955, contained an article under the byline of RICHARD O. KASTEN, Rantoul (Staff), captioned Pleasant Acres' History Recalled, which reads as follows:

"PLEASANT ACRES' HISTORY RECALLED

"By Richard O. Kasten
Rantoul (Staff)

"I first became aware of Maj. Gen. Byron E. Gates' interest in Pleasant Acres on Wednesday morning, June 2, 1954.

"As Rantoul-Chanute reporter for The Courier I was looking for an officer on another story when I entered Theater 2 about 10 a. m. About 100 were present, including many civilian employees. Gen. Gates was speaking on low cost housing. I sat down.

"The general was explaining that a Springfield development corporation had acquired land adjacent to Rantoul's Maplewood School. It would erect private homes there, produced by National Homes of Lafayette, Ind.

"During a question and answer period he said that houses could be financed for \$6,600, including cost of the lot. Down payments could be \$500, and monthly payments about \$40. He promised to arrange a bus trip to the Indiana factory for those interested in inspecting a model home.

"Gen. Gates said that applications to buy homes, plus the \$500 down payments, would be accepted at his office in base headquarters until the developers could open a Rantoul office. On two subsequent occasions I saw a pile of applications on the desk of Gen. Gates' secretary.

"This subdivision turned out to be one now known as Pleasant Acres. When the Air Force announced Saturday that it had preferred formal charges against Maj. Gen. Gates, one of the charges was: 'That he had civil service and military personnel do work in connection with a housing project near the base while they were being paid by the government.'

"That housing project, it generally is believed, is Pleasant Acres.

"The Courier did not carry a story on that particular day, at Gen. Gates' request. The story subsequently was released 10 days later to another local newspaper. The project proceeded, however.

"On the night of July 6, 1954, the Rantoul Village Board met. William Foster, Chanute Base architect, and Hugo Schneider, resident engineer at Chanute for the Corps of Engineers, submitted a proposal for a 23-acre development east of Rantoul, to contain 109 homes.

"Village Board approval was necessary before village utilities, electricity, water and sewerage could be extended to the area. Foster said he prepared plans for the project. Schneider told The Courier he was the owner of the C-S Development Co. of Springfield, which would develop the site. (Foster resigned his Chanute position about the time of Gen. Gates' retirement.)

... "Board members said they did not want to approve Pleasant Acres unless it was to have paved streets, curbs and gutters and storm drainage. Many thought that the most interesting thing at the meeting was the disclosure that the developer had planned a subdivision, in which airmen were to be sold homes, without storm drainage.

"Schneider told the Board members that 'natural drainage' would handle the storm water. Something was said about the owner of an adjoining farm being glad to get the run-off. The Board wouldn't accept this drainage system.

"At this point, Foster left the board meeting. About 20 minutes later, Gen. Gates arrived. With a broad wave of his arm in the direction of reporters, the general said that his presence at the meeting was off the record and that his remarks were not to be published.

"Gen. Gates warned the Board bluntly about the improvements the board was seeking.

"Don't get too high on the hog here or you won't have any hog," he told the Board.

"He added:

"We've got holes in our heads for paying \$1,000 per acre for that land, I know, but we're trying to do a service to the community..."

"Council meetings, of course, are open to the public, and my story describing the meeting in detail appeared in The Courier the following afternoon. It apparently was not well received by Gen. Gates. He subsequently told me it was 'silly reporting ... stab-in-the-back tactics ... yellow-sheet journalism.'

"Apparently it was to prevent this that the General subsequently invited the Rantoul Village Board to meet with him at the Fannarker, the Officers' Club at Chanute, on Sept. 8. My assignment is to cover all meetings of the Rantoul Board, but when I arrived Gen. Gates was critical.

"By what right have you entered a private club?' he asked me. After a brief exchange, I left the building. After the meeting a joint statement was issued by Gen. Gates and Rantoul Mayor C. W. (Hap) Parker stating the drainage and other problems concerning Pleasant Acres had been solved.

"Shell of the first house in the subdivision went up on Aug. 12. On that date I asked the developer in a construction shack on the site for information and was referred to Capt. Prentice Ligon.

"At that time Capt. Ligon was wing accounting officer of Chanute AFB, but he had his own office room in the office building of Cecil Ozier, who was putting up National Homes in Pleasant Acres.

"Ligon was subsequently identified as 'liaison between Chanute AFB and the developer.' On that particular occasion he was not in his office, but Mrs. Ligon was. She phoned her husband, who explained that he did not wish to be the source for a news story.

"Shortly after Gen. Gates' retirement, Capt. Ligon resigned after 16 years in the Air Force to become comptroller for the Illinois Fire and Auto Insurance companies.

"There is more to the story, of course, but this may illuminate Pleasant Acres early history. The first two families moved in Nov. 6, and the addition was annexed Nov. 9. Those who weathered the first winter had to put up with a lot of mud. In fact, the streets, haven't been blacktopped yet, although they have curb and crushed rock.

"I'm not sure, but I think the last time Gen. Gates mentioned Pleasant Acres to me was after my story on the mud out there in the Jan. 5 Courier. In fact, he didn't exactly mention it to me, it was to a third party, with him.

"Smart boy, there,' he said, 'with his story on mud in Pleasant Acres.'"

Concerning a chronological summary of initiation and grating of the commitment of insurance by FHA, there was nothing in the file regarding the dates of initial institution of Pleasant Acres housing development; however, a newspaper article dated May 19, 1955, appeared in the Champaign-Urbana News Gazette reflecting that the C & S Engineering, Inc., planned to purchase 110 acres of the HERSHEL KEAL farm on the east edge of Rantoul, Illinois, for residential and business development.

The FHA file reflects nothing regarding Pleasant Acres until June 8, 1954, when CECIL OZIER approached FHA, Springfield, Illinois, regarding development of Pleasant Acres and obtaining commitments from FHA for insurance. Mr. OZIER presented a platt of the development and this platt was forwarded to the Chicago Office for recommendations and approval. On June 23, 1954, the Chicago Office forwarded an amended platt to the Springfield Office calling for better drainage, streets and sewers.

On June 23, 1954, a determination was made by FHA to accept firm applications for twenty-five properties. On June 29, 1954, FHA received applications for 109 firm applications from National Homes Acceptance Corporation, Lafayette, Indiana. On July 8, 1954, twenty-five of these applications of June 29, 1954, were accepted and eighty-four were rejected. On July 16, 1954, Director NOONER decided to accept all 109 firm applications and National Homes Acceptance Corporation was instructed to resubmit rejected commitments which had been submitted originally on June 29, 1954.

On July 30, 1954, a subdivision report was prepared by FHA and conditional commitments on 109 properties were made a matter of record. It is noted that conditional commitment is a commitment made to firm building homes and the commitment is made on condition that reputable builders are constructing the homes, homes will meet the standards, an acceptable buyer will be found and financing will have been arranged.

The FHA file reflected that Colonel H. G. WOODBURY, JR., Corps of Engineers, Chicago, Illinois, contacted FHA, Springfield, Illinois, in November, 1954. This file reflected

SI 147-62

the Corps of Engineers was investigating the activities of HUGO SCHNEIDER, Base Engineer, who was President of C & S Engineering, Inc.

There was nothing else in the FHA files which in any way whatsoever was relevant to the determination as to whether the procurement of FHA approval involved possible irregularities.

- C -

SI 147-62

REFERENCE:

Bureau airtel to Springfield and Washington Field Office
dated 9/2/55.

ADMINISTRATIVE PAGE

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE: 11/1/55

FROM : Warren Olney III, Assistant Attorney General
Criminal DivisionSUBJECT: Congressman Leslie Arends, Illinois
Miscellaneous-Information Concerning

Mr. Tolson	
Mr. Boardman	
Mr. Belmont	
Mr. Mohr	
Mr. Parsons	
Mr. Rosen	
Mr. Tamm	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

This will acknowledge receipt of your memorandum dated September 15, 1955 submitting to the Criminal Division the results of the investigation requested by us into the above matter.

As disclosed by the report of Special Agent [redacted] dated September 5, 1955, the investigation into the Federal Housing Administration files in Springfield, Illinois, has developed no information concerning possible violations of Federal criminal statutes by Congressman Leslie Arends of Illinois. However, the report discloses that on June 23, 1954, the Springfield FHA office authorized commitments for insurance on 25 properties located on the Pleasant Acres Subdivision. On July 16, 1954, Director H. H. Hoover approved the processing of 109 applications for conditional firm commitments.

Since there is nothing in the FHA files indicating the reason for the change from commitments on 25 properties to commitments on 109 firm applications, it is requested that all Springfield FHA personnel who were involved in the change in commitments be interviewed to determine all the facts and circumstances prompting that action. Please furnish us with copies of all investigative reports submitted in the matter.

RECORDED - 54

12 NOV 2 1955

62-3643-10

10

NOVEMBER 4, 1955

AIRTEL

SAC, SPRINGFIELD (147-62)

CONGRESSMAN LESLIE ARNO, ILLINOIS, MISCELLANEOUS - INFORMATION
CONCERNING (ACCOUNTING AND FINANCIAL MATTERS)

Rerep SAA

9/8/55.

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b7C

Enclosed herewith are two copies of self-explanatory memorandum from Warren Olney III, Assistant Attorney General, Criminal Division, dated November 1, 1955, regarding captioned matter.

Immediately conduct investigation requested in enclosed memorandum and surep to reach Bureau not later than 11/18/55.

58-3843

Hoover

Enclosures - 2

RJP:bak
(4)

Tolson
Boardman
Nichols
Belmont
Clegg
Glavin
Ladd
Rosen
Tracy
Harbo
Mohr
Winterrowd
Tele. Room
Holloman
Gandy

NOV 15 1955

MAILED 7
3643-10
COMM-FBI

67-3643-11 IN THIS FILE SKIPPED DURING
SERIALIZATION.

6-13-62
Q

December 20, 1955

Airtel

SAC, Washington Field (62-7666)

CONGRESSMAN LESLIE ARENDT, Illinois
MISCELLANEOUS - INFORMATION CONCERNING
(Accounting and Fraud Section)
OO: Springfield

Enclosed for Washington Field Office and
Richmond are two copies of a self-explanatory
memorandum from Warren Olney III, Assistant Attorney
General, Criminal Division, Department of Justice,
dated 12/14/55, requesting additional investigation
in captioned matter.

Also enclosed for your information is one
copy each of the reports of SA [redacted]
dated 9/8/55 and 11/17/55 at Springfield on captioned
matter.

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You should immediately assign this case,
insure that it receives thorough and continuous
investigative attention and surep completing
investigation by 12/30/55.

Hoover

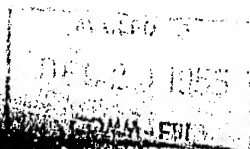
Enclosures - 4

cc: 1 - Springfield (147-52) (Information)
1 - Richmond (4 enclosures)

RJP:blf

(6)

Tolson _____
Boardman _____
Nichols _____
Belmont _____
Harbo _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____



12

Office Memorandum • UNITED STATES GOVERNMENT

Mr. Tolson	_____
Mr. Nichols	_____
Mr. Boardman	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Parsons	_____
Mr. Rosen	_____
Mr. Tamm	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

TO : Director, Federal Bureau of Investigation

DATE:

FROM : Warren Olney III, Assistant Attorney General,
Criminal Division

WO:IKJLJP

51-363

SUBJECT: Congressman Leslie Arends, Illinois
Miscellaneous - Information Concerning

This will acknowledge receipt of your memorandum dated November 25, 1955, submitting the results of the additional investigation requested in our memorandum dated November 1, 1955, and advising that no further action in the matter by the Bureau is contemplated in the absence of an additional request from the Department.

As disclosed by the report of Special Agent [redacted] dated November 17, 1955, H.H. Noonan, former Director, Federal Housing Administration, Springfield, Illinois, advised that he requested and received approval of the increase in commitments from 25 to 109 homes in the Pleasant Acres subdivision from either Clyde R. Black, Regional Director, FHA, Washington, D.C., or Assistant Director George Bailey.

Accordingly, it is requested that Mr. Black, Mr. Bailey, and any other participating FHA personnel be interviewed to determine the circumstances surrounding the increased commitments and the reasons therefor. Further, it is requested that the Washington, D.C., FHA files relating to the Pleasant Acres subdivision be examined for any letters, reports, or memoranda evidencing any contacts with that Agency by Congressman Arends.

In addition, it is requested that the Bureau make an examination of the files maintained by the Department of the Air Force, Pentagon, concerning the Pleasant Acres subdivision, to determine whether these files contain any letter, report or memorandum evidencing that Congressman Arends contacted the Air Force concerning the Certificates of Military Necessity required to be executed by the Air Force as a prerequisite to the approval of the Pleasant Acres subdivision as military housing by the Federal Housing Administration.

RECEIVED - 14
INDEXED - 14

58-3643-12

DEC 15 1955

EX-107

121-1010
ma
BIA

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

SPRINGFIELD

REPORT MADE AT

RICHMOND

DATE WHEN MADE

12/28/55

PERIOD FOR WHICH MADE

12/21, 22/55

REPORT MADE BY

b6

b7c

TITLE

CONGRESSMAN LESLIE ARENDT, ILLINOIS

CHARACTER OF CASE

MISCELLANEOUS - INFORMATION
CONCERNING (ACCOUNT AND FRAUD
SECTION)

SYNOPSIS OF FACTS:

Mr. FRED J. CLOSE, Housing Division, Hq. USAF, advised that Air Force records do not contain any communications from Congressman LESLIE ARENDT concerning the Air Force issuing a Certificate of Need for the Pleasant Acres housing project. Mr. CLOSE stated the Air Force would not issue a Certificate of Need to FHA for that project as it called for the construction of saleable houses. He said the Air Force would approach FHA for assistance in construction of rental houses only as Air Force could then control administration and occupancy of the houses.

- RUC -

DETAILS: On December 21, 1955, Mr. FRED J. CLOSE, Special Assistant to the Division Chief, Housing Division, Directorate of Facility Support, Headquarters, United States Air Force, Temp 8, 38th and Wisconsin Avenue, N.W., Washington, D.C. advised Special Agent [redacted] that his office would handle the issuance of any Certificates of Need for housing for Air Force personnel.

Mr. CLOSE advised that the Air Force Records do not contain any communications from Congressman LESLIE ARENDT concerning the Air Force issuing any Certificate of Need to the Federal Housing Administration for the Pleasant Acres housing project at Rantoul, Illinois.

APPROVED AND
FORWARDED:

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN THESE SPACES

COPIES OF THIS REPORT

- 5-Bureau (58-3643)
- 2-Springfield (147-62)
- 1-Washington Field (62-7666)
- 1-Richmond (62-1193)

50 JAN 23 1956

DEC 29 1955

STAT. SECT.

PROPERTY OF FBI—THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE

He asserted that the Air Force would not issue a Certificate of Need to the Federal Housing Administration for support in the construction of the Pleasant Acres project as that project was for the construction of saleable houses. Mr. CLOSE stated the Air Force will only issue the Certificate of Need to the FHA where the houses to be constructed are to be on a rental basis. He commented that where the houses are to be rented, the Air Force could then control the administration and occupancy of them. He said it followed that if the houses were to be saleable, then the Air Force could not control the sale and occupancy of them.

- RUC -

RH 62-1193

ADMINISTRATIVE

Extra copies of this report are being furnished the Bureau as dissemination of the report may be desired.

A copy of this report is being furnished the Washington Field Office as that office is conducting investigation in this matter.

REFERENCE

Bureau letter dated 12/20/55.

AIRTEL

FBI WASH FIELD

DIRECTOR (58-3643)

Congressman LESLIE ARENS, Illinois
Miscellaneous
Information Concerning
Accounting and Fraud Section
OO:Springfield

ReBuairtel 12/20/55.

Attached for Indianapolis one copy each of reps SA [redacted] dated 9/8/55, and [redacted] at Springfield. H. J. MARTIN, HREA, advises CLYDE R. BLACK, resigned 9/30/54, to rejoin Bullock Industry, last address, RR#4, Logansport, Indiana.

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Memo to BU from WARREN OLNEY III, Assistant Attorney General, Criminal Division, dated 12/14/55, points out his reports reflect NOONEN advised he requested and received approval of the increase in commitments from 25 to 109 hours in the Pleasant Grove Subdivision from either CLYDE R. BLACK, Regional Director, FBI, or Assistant Director, CHAS. B. [redacted]. Dept. memo reads "accordingly, it is requested that Mr. BLACK, Mr. BATES, and any other participating FBI personnel be interviewed to determine the circumstances surrounding the increased commitments and the reasons therefor."

BU instructs case should be immediately assigned and insure that it receives thorough and continuous investigative attention, surep completing investigation by 12/30/55. IND file interview BLACK.

RECORDED

58-3643-14 LAUGHLIN

- 3 - Bureau
- 2 - Indianapolis (62-new) (Encls. 2) (AMSD)
- 1 - Springfield (Info) (14/-CC)
- 1 - WFO (62-7666)

GEN:alm
(7)

AIRTEL

Mr. Noonan

58-3643-14

Assistant Attorney General
Warren Olney III
Director, FBI

November 25, 1955

RECORDED - 1055-3645

CONGRESSMAN LESLIE ARENDS, Illinois
MISCELLANEOUS - INFORMATION CONCERNING
(Department reference WO:IKJ:ejk, 51-363)
Accounting and Fraud Section

Reference is made to your memorandum dated
November 1, 1955, which requested that all Springfield
Federal Housing Administration personnel involved in
the change in commitments from 25 firm applications
to 109 firm applications be interviewed.

In line with your request, a copy of the
report of Special Agent [redacted] dated
November 17, 1955, is enclosed.

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No further action in this matter is
contemplated in the absence of an additional request
from the Department.

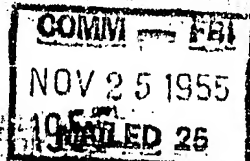
Enclosure

b7D

NOTE

criminal statute by Congressman Leslie Arends; however,
requested all Springfield FHA personnel involved in the
change in the number of commitments be interviewed. Enclosed
report reflects interviews of the personnel involved; no
apparent criminal violations indicated. The Department is
being advised no further investigation contemplated in the
absence of additional request.

Tolson _____
Boardman _____
Nichols _____
Belmont _____
Harbo _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
 Sizoo _____
Winterrowd _____
Tele. Room _____
Holloman _____
Gandy _____



RJP:md
605 DEC 9 1955
JAN 1 1956

88-2949-210

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (158-3643)

DATE: 11-17-55

FROM : SAC, SPRINGFIELD (157-62)

SUBJECT: CONGRESSMAN LESLIE ARLAND, ILLINOIS
MISCELLANEOUS - INFORMATION
CONCERNING (ACCOUNTING AND FRAUD
SECTION)

Enclosed herewith are seven copies of the report of SA [redacted] (A) dated 11-17-55 at Springfield. The Department by letter dated November 1, 1955, requested that all Springfield FIA personnel involved in the change of commitments, be interviewed, and made no mention of the Washington Office of FIA. In view of this, no lead has been set out for the Washington Field Office to contact Mr. OLYM A. BLACK or Mr. GEORGE BAILEY, Regional Director and Assistant Director, respectively. Two extra copies of this report are being submitted to the Bureau in the event Bureau desires that Washington Field Office interview Mr. BLACK and Mr. BAILEY concerning this matter.

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On November 16, 1955, Mr. JOHN G. MC FALL, Chief Underwriter, Federal Housing Administration, Springfield, Illinois, contacted SA [redacted] by telephone and requested that he be furnished a copy of his signed statement furnished to the F.B.I. on November 14, 1955, and he was advised that a copy of this statement would be made and furnished to him. He stated that he is going to make a report of the investigation to the Washington Office of the Federal Housing Administration and wants to report the full facts.

JHM:bjs

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RECEIVED 7 ENCL.

58-3643-15
RECORDED - 15

EX-126

8 NOV 18 1955

58-3643-15

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

SPRINGFIELD

REPORT MADE AT SPRINGFIELD	DATE WHEN MADE 11-17-55	PERIOD FOR WHICH MADE 11-7, 14, 15-55	REPORT MADE BY BA [redacted]
TITLE CONGRESSMAN LESLIE ARENDS, ILLINOIS			CHARACTER OF CASE MISCELLANEOUS - INFORMATION CONCERNING (ACCOUNTING AND PRAISE SECTION)

b6
b7C

SYNOPSIS OF FACTS:

JOHN G. MC FALL, Chief Underwriter, FHA, Springfield, Illinois, advised in signed sworn statement that decision to increase commitments from 25 to 109 homes in Pleasant Acres subdivision was mutual agreement of FHA, Springfield. He said no person or group of persons exerted pressure on FHA Office to increase commitments. Mr. HARVEY E. NOONER, former Director, FHA, Springfield, advised in signed sworn statement that decision to increase commitments from 25 to 109 homes was decision of Regional Director, Washington, D.C. He stated no pressure of any nature exerted on him to have commitments changed from 25 to 109 houses. NOONER stated BYRON GATES, Commanding General, Chanute AFB, and CECIL OZIER, builder and developer of Pleasant Acres, contacted him about project in 1954. GATES said he had been to Washington, D.C. about the development and had seen Mr. LESLIE ARENDS and Mr. ARENDS was interested in the project. He stated Mr. ARENDS was then Chairman of the Military Housing Committee. Mr. E. C. BECKER, Director, FHA, Springfield, Mr. BUFORD HARPER, Assistant Director, and Mr. C. T. MORRISSETT, Chief Architect, FHA, advised that they have no information concerning reason for change of commitments from 25 to 109 houses.

cc: [unclear] 11/17/55
58-3643-15

*1cc FHA
1cc O [unclear]
11/30/55*

*1cc [unclear]
12/15/55*

APPROVED AND FORWARDED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	ENCLOSURE <i>58-3643-15</i>	DO NOT WRITE IN THESE SPACES RECORDED - 15
COPIES OF THIS REPORT (7) - Bureau (58-3643) 1 - Springfield (147-62)		EX-126	

58-3643-15

STAFF SECT

SI 147-62

DETAILS:

By letter dated November 1, 1955, the Department of Justice requested that all Springfield Federal Housing Administration personnel, who were involved in the change of commitments from twenty-five to 109 houses in Pleasant Acres housing development, be interviewed.

AT SPRINGFIELD, ILLINOIS

Mr. JOHN G. MC FALL, Chief Underwriter, Federal Housing Administration, Springfield, was contacted on November 14, 1955, by SA [redacted] and the reporting agent, and he furnished the following sworn signed statement: b6 b7c

"Springfield, Illinois
November 14, 1955.

"I, John G. McFall, being duly sworn, make the following voluntary signed statement to [redacted] and [redacted] who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. I have been advised I do not have to make a statement, that any statement I do make can be used against me in a court of law, and I have the right to an attorney. No threats or promises have been made to induce me to make this statement.

"I am 40 years of age and I reside at 1532 South Douglas Avenue, Springfield, Illinois. I am employed as Chief Underwriter for Federal Housing Administration, Springfield Office and have been so employed for more two and one half years. I am responsible for recommendations to the director for commitments to insure loans and other recommendation to the Director relating to activities of the Underwriting division.

"To the best of my recollection the first I knew of the subdivision known as Pleasant Acres was approximately June 6, 1954 when Mr. Cecil Ozier came to the F.H.A. office to present his plans on the development. As I recall it Mr. Ozier had made arrangements to bring in the plans of the subdivision for our office to look at. At that time we had not agreed to more than give consideration to his plans and proposals.

"On June 8, 1954 Cecil Ozier brought his suggested plan of development to the office and I forwarded this suggested plan of development to our Land Planning Section in Chicago, Illinois for any suggestions or revisions they might recommend.

"On June 10, 1954 our office received copies of the suggested revised plan of development as recommended by our Land Planning division. Mr. William Foster, an employee of the Air Force Base at Rantoul, Illinois, had called the office and asked that these plans be sent to him and we were under the impression this met with Cecil Ozier's approval. These revised plans were sent to Mr. Foster.

"Between 6-10-54 and 6-23-54 I do not recall any meetings being held about this housing development. However, there could have been meetings of office staff and Mr. Nooner, Director, could have called Washington as Washington office said it was OK to accept firm applications for 25 houses. Mr. Harvey Nooner advised me it was O.K. to accept 25 applications and I wrote an office memo to the Valuation Section of this office stating that this office had agreed to accept applications on 25 homes in this development, on 6-23-54.

"To the best of my recollection there were meetings or phone calls between builders developers, Mr. Nooner and myself. Possibly General Byron Gates because of his interest in housing for his soldiers and a representative of National homes could have been present at these meetings because National homes were selling the houses and financing the sales of the houses.

"The concern of the office was only if it was advisable to continue single family housing development sales in Rantoul area as this area is dependent on only one major industry, the Air Force Base, and we were hesitant because if any slowdown occurred at the base, it would leave us with several houses and no market for their sale. Our office confirmed by investigations that Chanute Air Force Base was a

"permanent base, was expanding and there was an evident need for housing in that area. To the best of my recollection this is the reason the applications were increased from 25 to 109 houses.

"I have no knowledge of any person or group of persons who could exert outside pressure being present at any of the meetings I attended. To the best of my knowledge the F.H.A. office received no letters or anything else from anyone who could exert outside pressure to cause us to change our decision. To the best of my knowledge no pressure was exerted on F.H.A. to cause us to change our decision.

"Mr. Noonan did not instruct me to increase the number of commitments and this decision to accept all 109 commitments in first development was a mutual decision and not at direction of Mr. Noonan.

"I recall that a luncheon meeting was held on the base at the Officers Club of Chanute Air Force Base. The purpose of the meeting to establish a basis for agreement so the subdivision area could be annexed to the village, furnished with city utilities and to have the streets accepted by the village authorities for continuing maintenance. As I recall those in attendance at this luncheon were the officials, Mayor Parker and members of Village board of Rantoul, Illinois, Mr. Noonan, myself, Cecil Ozier, Hugo Schneider, John Franklin, Attorney for Cecil Ozier, Byron Gates, Commanding General of Chanute Air Force Base and Congressman Leslie Arends. This meeting occurred after the commitments had been agreed upon for 109 houses, the first house had been completed and was open for inspection as a model home. At this meeting an agreement was reached that certain improvements and additions would be made to the homes, streets, sewers and drainage which would make the development a nicer place to live and make a better buy for the service man at a small additional cost to the purchaser which could be absorbed by a slight increase in the monthly payments.

"The project has been completed and the development and streets have been accepted by the Village of Rantoul. The last inspection by F.H.A. reveals that all units are occupied and as of November 10, 1955 there has been no default on any of these loans or for any in the Village of Rantoul in mortgage payments. It is my opinion this project presents an attractive appearance for a development in this price range.

"I have read this statement consisting of this and seven (7) other pages. I have initialed all corrections and each page. It is true and correct to the best of my knowledge.

John G. McFall

Subscribed before me this date November 14, 1955 at Springfield, Illinois

Special Agent, FBI
Springfield, Ill.

"Witness

Special Agent, FBI
Springfield, Ill. Nov. 14, 1955"

AT EAST ALTON, ILLINOIS

Mr. HARVEY H. NOONER, former Director, Federal Housing Administration, Springfield, was contacted at his office, 101 West Main Street, East Alton, Illinois, by SA [REDACTED] and the reporting agent, and he furnished the following sworn signed statement:

"At East Alton, Illinois
November 15, 1955

November 15, 1955
"I, HARVEY E. HOOKER, being duly sworn, do hereby make the following free and voluntary statement to [redacted] and [redacted] who have identified themselves to me as special agents of the Federal Bureau of Investigation. I have been advised I do not have to make a statement; that any statement I do make can be used against me in a court of law and I have a right to an attorney. No threats or promises have been made to induce me to make this statement.

"Sometime during the year 1954, while I was Director of the Federal Housing Administration with insuring offices at Springfield, Illinois, a Mr. Byron E. Gates, and a Mr. Cecil Crier, a contractor, called at my office to discuss the possibility of obtaining approval on a number of homes to be built near the base. After a discussion, my office agreed to approve a maximum number of 25 houses. This approval originated in the Washington, D. C. headquarters of the Federal Housing Administration and was given to me to pass on to the Chanute Air Base sponsors of this project. Another discussion was held at a later date, at which time my office was asked to increase the number approved to a total of 109, and as evidence of the need my office was furnished with a list of approximately 93 bona fide orders with deposits attached, ~~and some of them~~ being sold ~~to military personnel~~. All the houses requested were to be located in what was then and now known as Pleasant Acres Subdivision. I requested approval of the increase direct from Washington headquarters of the Federal Housing Administration and obtained such an approval and passed the approval on to the sponsors of the Pleasant Acres Subdivision.

"All approvals on housing in Pleasant Acres Subdivision came direct from Washington headquarters of the Federal Housing Administration. At no time was there any person or groups of persons in a position to assert any pressure or attempt to influence my decisions in this matter. My actions originate and were authorized by the Washington, D. C. office of the Federal Housing Administration.

"I do not recall making any trips to the proposed subdivision between the date of Mr. Byron E. Gates' initial visit at my office and the date of filing of the initial application. I did visit the subdivision a few times after construction began.

"I have dictated the above statement and what I have stated is the truth to the best of my recollection and knowledge.

/s/ Harvey H. Roemer

SI 147-62

"Sworn to and subscribed before me this date 11-15-55
at East Alton, Illinois.

[REDACTED]
Special Agent
F.B.I. Springfield, Ill.

b6
b7C

"Witness

[REDACTED] Special Agent, F.B.I., Springfield,
Ill. 11-15-55."

Mr. NOONER at the outset of the interview while not under oath, stated that he was Director of FHA, Springfield, Illinois, at the time Pleasant Acres housing development was started in Rantoul, Illinois. He stated that the first he knew of Pleasant Acres housing development was sometime in 1954 when BYRON E. GATES, Commanding General, Chanute Air Force Base, called UZIER, builder and developer of Pleasant Acres housing development, called at his office. He stated that General GATES did all the talking and explained that he was interested in low-cost housing for his soldiers at the Base and wanted to get approval of FHA, Springfield, for this development. Mr. NOONER further added that General GATES made the statement that he, GATES, had been to Washington, D. C., and had seen Congressman LESLIE ARENDS of Illinois, and Mr. ARENDS was very much interested in this development to provide housing for soldiers at Chanute Air Force Base.

Mr. NOONER further advised that it was his opinion that General GATES was looking out for the interest of his soldiers on the base and was attempting to obtain low-cost housing for these soldiers, inasmuch as the rented housing development of Chanute Air Force Base was not adequate to take care of all the soldiers on the base who wished to reside off the base.

Mr. NOONER further advised that he discussed this change in commitments from 25 to 10% with the Regional Director CLYDE R. BLACK, Washington D. C., or the Assistant Regional Director, CAROL DALLAN, and the decision to increase the commitments came directly from Mr. BLACK's office in Washington, D. C.

AT SPRINGFIELD, ILLINOIS

58-3643-

15

Mr. H. O. BLOCKER, Director, Federal Housing Administration, Springfield, advised on November 14, 1955, that he had no connection whatsoever with Pleasant Acres housing development, inasmuch as he was not the Director nor was he employed by the FHA at the time this housing development was erected.

Mr. BUFORD HARPER, Assistant Director, FHA, Springfield, advised on November 14, 1955, that he had nothing whatsoever to do with Pleasant Acres housing development and he has no knowledge as to why the commitments were changed from 25 to 109 houses in this development.

Mr. C. T. MORRISSETT, Chief Architect, FHA, Springfield, advised that he had nothing to do and has no knowledge of the reason for the change in commitments from 25 to 109 houses in Pleasant Acres housing development. MORRISSETT further advised that it is not unusual for the FHA to either increase or decrease commitments in a housing development after the housing development had been accepted by FHA, and therefore, he could see nothing in this case which would warrant that pressure had been exerted to have FHA change the commitments. He stated that he had heard rumors that it had been brought to the attention of FHA officials that the erection of 25 houses in the development would not justify the cost of bringing in utilities, laying out streets, and providing drainage for a development. He stated that this could have been one of the factors involved in the change of commitments.

C O R R E C T I O N

I M A G E O R I M A G E S R E F I L M E D

C O R R E C T I O N

SI 147-82

Mr. E. C. BECKER, Director, Federal Housing Administration, Springfield, advised on November 14, 1955, that he had no connection whatsoever with Pleasant Acres housing development, inasmuch as he was not the Director nor was he employed by the FHA at the time this housing development was erected.

Mr. BUFORD HARPER, Assistant Director, FHA, Springfield, advised on November 14, 1955, that he had nothing whatsoever to do with Pleasant Acres housing development and he has no knowledge as to why the commitments were changed from 25 to 109 houses in this development.

Mr. C. T. MORRISSETT, Chief Architect, FHA, Springfield, advised that he had nothing to do and has no knowledge of the reason for the change in commitments from 25 to 109 houses in Pleasant Acres housing development. Mr. MORRISSETT further advised that it is not unusual for the FHA to either increase or decrease commitments in a housing development after the housing development had been accepted by FHA, and therefore, he could see nothing in this case which would warrant any pressure had been exerted to have FHA change commitments. He stated that he had heard rumors that it had been brought to the attention of FHA officials that the erection of 25 houses in the development would not justify the cost of bringing in utilities, laying out streets, and providing drainage for a development. He stated that this could have been one of the factors involved in the change of commitments.

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BT 147-62

ADMINISTRATIVE DATA

Mr. HARVEY N. ROONER while not under oath, mentioned the name Congressman LESLIE ARENDS, and this was not incorporated in his statement because this matter was not pressed because he had been questioned about any pressure being exerted to cause him to change the commitments and if the matter had been pressed, it is possible that Mr. ROONER would have connected the pressure with Congressman LESLIE ARENDS.

REFERENCES

Investigation to Springfield dated November 4, 1955.

Report of SA [REDACTED] [REDACTED] at Springfield.

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ADMINISTRATIVE PAGE

66-3649-15

JANUARY 4, 1956

AIRTEL

SAC, INDIANAPOLIS (62-New)

CONGRESSMAN LESLIE ARENDS, ILLINOIS, MISCELLANEOUS - INFORMATION
CONCERNING. (Accounting and Fraud Section, Investigative Division)
Re Washington Field airtel 12/28/55.

Buded past. Advise date report submitted and
name of reporting Agent. If delay encountered, advise
reason for same.

HOOVER

58-3643

RJP:bak
(4)

58-3643-Ko

Tolson _____
Boardman _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Ladd _____
Rosen _____
Tracy _____
Harbo _____
Mohr _____
Winterrowd _____
Tele. Room _____
Holloman _____
Gandy _____

MAILED 5
JAN - 4 1956
52 JAN 14 1956

RECORDED-58

58-3643-Ko
2 JAN 6 1956

F.B.I. RADIOGRAM

DECODED COPY

4-42a

Mr. Tolson	_____
Mr. Boardman	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Harbo	_____
Mr. Mohr	_____
Mr. Parsons	_____
Mr. Rosen	_____
Mr. Tamm	_____
Mr. Sizoo	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

FROM INDIANAPOLIS 1-6-56 NR 061547

TO DIRECTOR DEFERRED

BUFILE 58-3643... CONGRESSMAN LESLIE ARENDS, ILLINOIS, MISC -
INFO CONCERNING. REBUAIRTEL JANUARY 4 LAST. WFO AIRTEL
DECEMBER 28 LAST NOT RECEIVED UNTIL DECEMBER 30 LAST. FORWARDED
TO RA AND MATTER BEING HANDLED. REPORT WILL BE SUBMITTED TO
REACH BUREAU BY JANUARY 10 NEXT.

RECEIVED: 11:25 AM RADIO
11:48 AM CODING UNIT

RECORDED - 19

58-3643-17

[RECEIVED]

106

58-3643

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

6-22- (6-15-55)

Federal Bureau of Investigation
Records Section

, 1955

Name Check Unit - Room 6523

Attention

Service Unit - Room 6524

Forward to File Review

Return to *Greenfield* Ext.

Supervisor

Room *4712*

All References

Subversive References

Main References Only

Restrict to Locality of

Breakdown ☐ Buildup ☐ Variations

Exact Name Only

Exact Spelling

Check for Alphabetical Loyalty Form

SUBJECT

Address

Localities

Birthdate & Place

R#

Date

Searcher

Initial

FILE NUMBER

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A. C.
94-36861
94-1-3626-5
94-37723-2
94-56562
119-26-3
Leslie C.
94-36868
100-2-91-A-41-204
62-60527-16-116
94-1-8449-3,4
46-11394-371
94-36893-1
94-1-3626-7
100-3-73-55
100-7660-1643, 1652
100-123258-78
62-62596-15
62-77668-A 100-12
100-3-18-55

written

SEARCH SLIP

Obj: _____

Supervisor _____

Room _____

Searcher _____

Date _____

Initial _____

FILE NUMBERSERIAL

61-7347-245

61-7474-89

94-1-3626-2, 8, 7, 10

100-3-81-A DW 4/5/45

Wright

61-7347-245

Federal Bureau of Investigation
Records Section

, 1955

Name Check Unit - Room 6523

Attention _____

Service Unit - Room 6524

Forward to File Review

Return to Supervisor Ext. _____

Supervisor

Room _____

4712

☐ All References☐ Subversive References☐ Main _____ References Only☐ Restrict to Locality of _____☐ Breakdown ☐ Buildup ☐ Variations☐ Exact Name Only☐ Exact Spelling☐ Check for Alphabetical Loyalty Form

SUBJECT _____

Address _____

Localities _____

Birthdate & Place _____

R# _____

Date _____

Searcher _____

Initial _____

FILE NUMBER

SERIAL

212

as per letter

117

4-22 (6-15-55)

Federal Bureau of Investigation
Records Section

1955

☐ Name Check Unit - Room 6523
☐ Attention _____
☐ Service Unit - Room 6524
☐ Forward to File Review
☒ Return to A. J. [illegible] Ext. 249
Supervisor
Room 471

☐ All References
☐ Subversive References
☒ Main _____ References-Only
☐ Restrict to Locality of _____
☐ Breakdown ☐ Buildup ☐ Variations
☐ Exact Name Only
☐ Exact Spelling
☐ Check for Alphabetical Loyalty Form

SUBJECT CHAMPAGNE UNBANA
Address _____

Aug 653
COURIER NEWS PAPER

Localities

Birthdate & Place _____

R# _____ Date 8-23 Searcher Initial 112

FILE NUMBER

SERIAL

94-41369

FEDERAL BUREAU OF INVESTIGATION
RECORDS SECTION

8-3, 195

- ☐ Name Check Unit-Room 6523
☐ Attention _____
☐ Service Unit-Room 6524
☐ Forward to File Review
☒ Return to Kirchke Ext. _____
 Supervisor _____
 Room 4712

- ☒ All References
☐ Subversive References
☐ Main References Only
☐ Main _____ References Only
☒ Restrict to Locality of 217
☒ Breakdown ☒ Buildup ☐ Variations
☐ Exact Name Only
☒ Exact Spelling
☐ Check for Alphabetical Loyalty Form

SUBJECT _____
Address _____

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Localities _____
Birthdate & Place _____

R# _____

Date

8-3

Searcher _____
Initial RM

FILE NUMBER

SERIAL

RM

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

SPRINGFIELD

REPORT MADE AT WASHINGTON, D. C.	DATE WHEN MADE 1/1/56	PERIOD FOR WHICH MADE 12/22, 23, 27-30/55	REPORT MADE BY <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
TITLE Congressman LESLIE ARENDT, Illinois			CHARACTER OF CASE MISCELLANEOUS - 1 CONCERNING - ACCO AND FRAUD SECTION

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b7C

SYNOPSIS OF FACTS:

HNFA, Washington, unable to locate any files relating to Pleasant Acres Subdivision, except those pertaining to individual borrowers and mortgagors, and one inquiry from the Corps of Engineers, Chicago, made in November, 1954. No records found reflecting any contacts with HNFA or FIA by Congressman ARENDT. Mr. GEORGE H. BAILEY, FIA, advised that he does not have any recollection or knowledge of circumstances re original issuance of 25 commitments or approval of increased commitments from 25 to 109 homes in Pleasant Acres Subdivision; that normally such approval should have been given by State Director of Springfield Office.

- RUC -

DETAILS: AT WASHINGTON, D. C.

This investigation was instituted as a result of a request by WARREN OLNEY, III, United States Attorney's Office, Criminal Division, Department of Justice, to this Bureau by memorandum dated December 14, 1955, pointing out that investigation had reflected that Mr. H. H. NOONER, former Director, Federal Housing Administration, Springfield,

ice - Olney - by memo 11/15/56 28

ice - HNFA 1/12/56 28

68-3643-18

APPROVED AND FORWARDED: <div style="text-align: center; font-size: 1.5em;">[Signature]</div>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES <div style="font-size: 1.5em; font-family: monospace;">58-3643-18</div>	
COPIES OF THIS REPORT 7 - Bureau (58-3643) 1 - Springfield (117-62) 1 - Washington Field 50 JAN 23 1956 (62-7666)		<div style="text-align: center;">13 JAN 1956</div> <div style="text-align: right; font-size: 1.2em;">RECORDED</div>	

PROPERTY OF FBI—THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF AGENCY TO WHICH LOANED.

Illinois, advised that he requested and received approval of the increase in commitments from 25 to 109 homes in Pleasant Acres Subdivision from either CLYDE R. BLACK, Regional Director, Federal Housing Administration, Washington, D.C., or Assistant Director GEORGE BAILEY. It was requested that Mr. BLACK, Mr. BAILEY, and any other participating FHA personnel be interviewed to determine the circumstances surrounding the increased commitments and reasons therefor, and further that FHA files in Washington, D.C., relating to the Pleasant Acres Subdivision be examined for any letters, reports, or memoranda evidencing any contacts with that agency by Congressman ARNDT.

Mr. H. J. MARTIN, Compliance Division, Housing and Home Finance Agency, advised on December 27, 1955, and again on December 30, 1955, that as a result of an extensive search of the records of the Housing and Home Finance Agency and the Federal Housing Administration during the period December 22 through December 30, 1955, that he was unable to locate any files related to the original issuance of commitments or the change of commitments from 25 to 109 in connection with the Pleasant Acres Subdivision. He stated that those records in the file related to individual borrowers and mortgagees for the most part.

He made available a letter from H. H. NOONER, FHA, Springfield, Illinois, to GEORGE H. BAILEY, Assistant Regional Director, FHA, Washington, D.C., dated November 3, 1954, which stated that one H. J. WOODBURY, Jr., with the Corps of Engineers, Chicago, Illinois, had written him a letter requesting definite information with regard to Pleasant Acres Subdivision at Mantoul, Illinois.

Mr. BAILEY replied to this communication in a letter of December 17, 1954, which stated that copies of the documents requested may not be delivered unless the Army is conducting a criminal investigation or a subpoena is served. No other information was available. All of these records mentioned were examined, but failed to reflect any information evidencing any contacts with that agency by Congressman ARNDT.

The files contained no information regarding background or activities of the developers, sponsors, or other principals of the Pleasant Acres Housing Development.

WFO 62-7666

Mr. MARTIN advised that CLYDE R. BLACK, former Regional Director, FHA, Washington, D.C., resigned September 30, 1954, to re-enter private industry, last address Rural Route 4, Logansport, Indiana.

Mr. GEORGE R. BAILEY, Jr., Deputy Zone Operations Commissioner, formerly Assistant Regional Director, FHA, Lafayette Building, advised on December 30, 1955, that he did not process and has no recollection or knowledge of circumstances regarding the original issuance of the 25 commitments or approval of the increased commitments from 25 to 109 homes in Pleasant Acres Subdivision. He stated that Mr. CLYDE R. BLACK was the Regional Director and he was the Assistant Regional Director, both in Washington, D.C., during 1954, when the commitments were issued, that the Springfield FHA Office was under their jurisdiction, and that they were the only two men in their office who could have handled any special problems the Springfield Office may have had in connection with the issuance of commitments in Pleasant Acres. He recalled that the first commitments were issued under Title 1, Section 8, the National Housing Act, and because of the expiration of Title 1, Section 8, on July 30, 1954, all offices were instructed to process existing cases under Section 203 (1).

He stated that normally approval for the original issuance of commitments on any project such as Pleasant Acres should be made on a local level by the State FHA Director, who in this case was Mr. NOONER. He advised that should a State Director have any special problems he might seek guidance from the Washington FHA Headquarters, but that the final approval, whether for original commitments, or a request for an increase in commitments, rests in the hands of the State Director. He pointed out that it was entirely possible that Mr. BLACK could have given some sort of authorization without Mr. BAILEY's knowledge, or without having made a record of it, but that he had no knowledge or recollection of this having been done.

He pointed out that he recalled that during the period April, 1954, to July, 1954, Mr. WALDEMAR WEICHBRODT, a General Underwriting Supervisor, FHA, Washington, D. C., now with the FHA Office in Chicago, Illinois, made a general supervisory visit to the Springfield FHA Office, and that CLYDE BLACK, HARVEY NOONER,

WFO 62-7666

and JOHN G. MC FALL were at the Springfield Office during this visit. He stated that it was Mr. WEICHTERDA's job to visit various field offices and that this particular visit was one of his regular visits. He advised that he did not know what was discussed while Mr. WEICHTERDA was in Springfield, but that it was possible that he discussed with the local office matters relating to subdivisions such as Pleasant Acres. He stated that he did not know whether anyone could have construed any discussions which might have transpired as approval by a Washington FHA official or not.

At the request of Mr. BAILEY, MARY E. REY, his secretary, advised that she had searched the files in Mr. BAILEY's office and was unable to find any information relating to the original issuance of the commitments on the addresses in commitments in connection with Pleasant Acres Subdivision.

In response to questions asked, Mr. BAILEY advised that since the homes in Pleasant Acres Subdivision were processed under Section 203, it would have been handled exclusively by the Federal Housing Administration and that the military would have nothing to do with the processing or approval of such commitments. He advised that the only thing the military could do was indicate to the local FHA the need for housing, but beyond that all insurance operations, all processing, all rejections, and all approvals must be made by the local FHA Office.

- RUC -

WFO 62-7666

REFERENCE

Bureau airtel dated December 20, 1955

Washington Field airtel to Director, Indianapolis,
and Springfield, dated December 20, 1955.

ADMINISTRATIVE PAGE

Assistant Attorney General
Warren Olney III

January 16, 1956

Director, FBI

RECORDED - 79

CONGRESSMAN LESLIE ARENDS (Illinois)
MISCELLANEOUS - INFORMATION CONCERNING
(Department reference WO:IJK:ijp; 51-363)
(Accounting and Fraud Section, Investigative Division)

Reference is made to your memorandum dated December 14, 1955, which requested Federal Housing Administration personnel, Washington, D.C., be interviewed and the files of that agency reviewed relating to the circumstances surrounding the increase in commitments and reasons therefor.

In accordance with your request, one copy each of the following reports is enclosed:

Report of Special Agent [redacted]
dated January 9, 1956, at Indianapolis,
Indiana.

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Report of Special Agent [redacted]
dated January 4, 1956, at Washington,
D.C.

Report of Special Agent [redacted]
[redacted] dated December 28, 1955, at
Richmond, Virginia.

No further action in this matter is contemplated in the absence of an additional request from the Department.

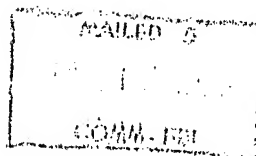
Enclosures - 3

58-3640-19

RJP:md
(4)

See note page 2

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Tele. Room _____
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JAN 23 1956

NOTE:

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Indicated.

By memorandum 12/14/55 Department requested additional limited investigation asking that FHA personnel, Washington, D.C., be interviewed and files of that agency reviewed regarding circumstances surrounding the increase in commitments related above. Enclosed reports reflect requested investigation. No apparent criminal violations indicated in this investigation. The Department is being advised no further investigation contemplated in absence of additional request.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT **SPRINGFIELD**

REPORT MADE AT INDIANAPOLIS	DATE WHEN MADE 1/9/56	PERIOD FOR WHICH MADE 1/6, 7/56	REPORT MADE BY <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
TITLE CONGRESSMAN LESLIE ARENDS, ILLINOIS			CHARACTER OF CASE MISCELLANEOUS-INFORMATION CONCERNING (ACCOUNTING AND FRAUD SECTION)

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SYNOPSIS OF FACTS:

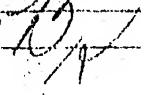
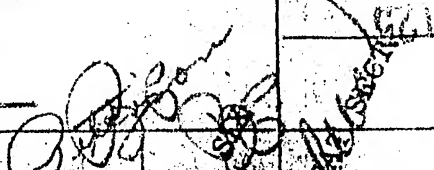
CLYDE R. BLACK does not remember whether he approved increase in commitments or not. Stated approval would be routine upon receipt of information concerning bona fide orders with deposits, and approval could have been made by BAILEY without latter's advising BLACK. States was no pressure of any kind placed on him.

- RUC -

DETAILS: AT LOGANSPOET, INDIANA

CLYDE R. BLACK, R. R. #4, was interviewed on January 7, 1956, and advised that he was formerly regional director of the Federal Housing Administration. He stated that he remembered the Pleasant Acres subdivision matter, but that he knew or remembered nothing concerning the increase in commitments. He said that he does not remember approving any such increase, but could easily have done so inasmuch as he handled many such matters. He advised that any approval by his office of increase in commitments would be merely a routine matter if a sufficient number of bona fide purchasers with deposits was shown. He said also that his assistant, GEORGE BAILEY, also had authority to approve such increase,

1cc. Black by memo 1/12/56
1cc. HHFA 1/12/56

APPROVED AND FORWARDED: 	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 7 - Bureau (58-3643) 2 - Springfield (147-62) 1 - Indianapolis (62-1105)		<div style="font-size: 2em; font-weight: bold;">58-3643-1</div> <div style="font-size: 1.5em; font-weight: bold;">REC-1</div> <div style="font-size: 1.2em; font-weight: bold;">13 JAN 14 1956</div>
		

IP 62-1105

and might have done so, and not notified BLACK because it was just a routine matter if sufficient material was presented with the request to justify such approval.

Mr. BLACK stated that he had never been contacted by anyone concerning the increase in commitments, and no one had used any pressure of any type, as far as he knew, in connection with the increase of commitments.

- RUC -

62 3643- 19

IP 62-1105

Reference

Washington Field airtel to Director dated December 28, 1955.

ADMINISTRATIVE PAGE